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C O N F I D E N T I A L SECTION 01 OF 02 CHISINAU 000750

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STATE FOR EUR/UMB

E.O. 12958: DECL: 09/30/2019
TAGS: [PGOV](#) [PREL](#) [KDEM](#) [KTIP](#) [EAID](#) [PINR](#) [MD](#)
SUBJECT: AMBASSADOR DISCUSSES U.S. CONCERNS AND
MCC COMPACT WITH NEW PM FILAT

Classified by: Charge d'Affaires Marcus R. Micheli
for reasons 1.4 (b) and (d)

¶1. (C) Summary: The Ambassador met with newly-appointed Prime Minister Vlad Filat on September ¶28. The central focus of the meeting was the recent developments surrounding the MCC Compact. The Ambassador informed Filat that MCC had submitted a Congressional Notification on the intent to negotiate a Compact for USD 262 million with Moldova and then outlined the negotiating process to reaching a final Compact agreement. The Ambassador also stressed concerns about trafficking in Moldova and the registration problems faced by IRI and NDI. The PM requested USG assistance in reforming the Agriculture and Interior Ministries. End Summary.

U.S. Relationship a Priority for Filat Government

¶2. (C) In a September 28 meeting, the Ambassador congratulated newly-confirmed Prime Minister Vlad Filat. The Ambassador noted that the United States stands prepared to assist Moldova in moving forward in promoting democracy and economic development. The Prime Minister responded that his government would work to consolidate democracy, promote the rule of law, and ensure transparency. Filat thanked the Ambassador for the support of the United States to Moldova and its citizens and underlined that his government saw the relationship with the United States as a priority for his country.

What Moldova Needs to Do

¶3. (C) The Ambassador advised Filat that the new GOM could take several steps that would send a positive message to the U.S. and Europeans. For example, the GOM needed to continue efforts to reduce and solve the TIP problem. It was imperative that Moldova work to improve its Tier 2 Watch List ranking. The lack of substantial progress in this area hurt Moldova's image and two consecutive years at a Tier 2 Watch List ranking would automatically relegate Moldova to Tier 3.

¶4. (C) Filat responded that Moldova must accept the responsibility to combat trafficking, and promised that his government would work to solve the problem in Moldova. He said his government would also approach the destination countries for victims to jointly develop strategies to eliminate trafficking. The Ambassador noted that the Department of State had developed an action plan for Moldova on trafficking and the Embassy would

like to work with his designee for fighting trafficking to provide assistance. Filat responded that the assistance would be gratefully appreciated.

¶15. (C) Ambassador also raised the lingering problem of registration for IRI and NDI. By allowing the two institutions to reregister, the Ambassador emphasized that the GOM would quickly send a message that any organization promoting democracy building and economic development would be able to operate freely in Moldova. Filat offered an apology for what had happened to IRI and NDI and noted that the new Minister of Justice, Aleandru Tanase, had received all the information concerning IRI and NDI and would make a decision "within a couple of days." (Note: On September 29, Minister Tanase registered IRI and NDI in a ceremony in front of local media. End Note.)

Moldova and the IMF

¶16. (C) Filat also stated that an IMF mission would arrive in Moldova in mid-October to begin discussions on a new agreement. (Note: Moldova's IMF agreement expired in May, 2009, and the previous Communist-led government was not willing to negotiate seriously with the IMF Mission that visited Moldova in late May 2009. End Note.) Filat said that Moldova found itself in an unusual

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political situation and the Prime Minister asked for the Ambassador's support in conveying this message to the IMF mission. Moldova was ready to introduce the economic and social reforms that the IMF would request but it was important that the IMF not set conditions that would undermine the election of a President in Moldova. (Note: The 101-member Parliament elects the President with 61 votes. The current parliament has 48 Communist members and 53 members belonging to four coalition partners. End Note.)

MCC Compact CN and Negotiations

¶17. (C) The Ambassador then explained the latest developments in the MCC Compact process, which if approved could total about USD 262 million. Filat listened carefully as the Ambassador informed him that MCC had sent a Congressional Notification to the Congress on September 22. The Ambassador stressed that, once the 15-day review period expired, the GOM needed to designate high level members for its negotiation team, and that it would be advisable to include technical advisors from the Moldovan team who had been working on the Compact.

¶18. (C) The Ambassador further explained that upon completion of negotiations, MCC would submit the agreement to the MCC Board for approval. At that point the Embassy would need to point out the successes the new government had had in improving Moldova. The Ambassador noted that he would like to report to Washington that progress had been made in the areas of TIP, IRI and NDI registration, and democratic development in the country. The Ambassador also stressed that implementation of the Compact would be key. The process for selecting contractors for the MCC projects had to be open and transparent. The GOM should also be mindful that the MCC Board would

consider tripwires such as combating TIP and democratic development in reviewing the Compact.

Government Reform in the Making

¶9. (C) In response to an earlier request from the PM to assist with reforming the Ministry of Agriculture, the Ambassador said that the Embassy was exploring the possibility of bringing an expert from the Foreign Agriculture Service to Moldova to consult with the Ministry. The Prime Minister thanked the Ambassador for this response, and then requested similar assistance in reforming the Ministry of Interior, which he said needed significant changes. The Ambassador promised to look into possibilities to assist the PM in this area.

Comment

¶10. (C) The new Prime Minister appears to understand our concerns about trafficking and we believe he is committed to making significant progress. The immediate registration of IRI and NDI shows the seriousness with which he is taking our concerns. We also are heartened by the fact that at several points during the meeting, the Prime Minister emphasized that his government would promote rule of law, transparency, openness, and democratic development.

MICHELI